Trade Protectionist Measures by U.S.

339. SHRI CHATURANAN MISHRA :
SHRI N. E. BALARAM :

Will the Minister of COMMERCE be pleased to state what are the trade protectionist measures resorted by the US Government and how it affects the developing countries in general and India in particular ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : A general protectionist trend has been discerned in some developed countries including the U.S. Protectionist measures have taken the form of restrictions on imports like quotas on textiles, clothing and certain agricultural items and a large number of anti dumping and countervailing duty investigations. Such measures inhibit the exports of developing countries, including India.

340. [*Transferred to 8th December,* 1993.]

Approval of NAFTA

341. SHRI N. E. BALARAM :
SHRI N. GIRI PRASAD

Will the Minister of COMMERCE be pleased to state :

(a) whether Government's attention has been drawn to the approval of the North American Free Trade Agreement (NAFTA) by the US House of Representatives ;

(b) if so, the details thereof; and

(c) what will be its impact on India's trade prospects ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) to (c) Yes, Sir. The United States, Canada and Mexico have joined to form a Free Trade Area which will be operationalized over a period of 10—15 years. The North American Free Trade Agreement (NAFTA) was signed in August 1992, and is expected to come into force from 1st January, 1994 after ratification. The agreement covers trade in goods and services, investments and intellectual property right.

Our major market in North America is the United States. As Canada and Mexico do not directly compete with our major exports to the US., it not anticipated that there will be any immediate adverse implications for India's exports.

Trading Blocks

342. SHRI N. E. BALARAM :
SHRI N. GIRI PRASAD :

Will the Minister of COMMERCE be pleased to state :

(a) whether, it is a fact that the world appears to be splitting into three trading blocks—the European Economic Community, the North American Free Trade Agreement (NAFTA) comprising the US, Mexico and Canada and lately Asia-Pecific Economic Cooperation (APEC)—but India and its South Asain neighbours are not members of any of the blocks; and

(b) if so, the deatials thereof and government's reaction thereto ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) and (b) Although the multilateral trading system based on the General Agreement on Tariffs and Trade (GATT) remains intact, the EEC is moving towards greater integration and a larger membership, and NAFTA has been formed with a trade liberalization programme spanning 10—15 years. APE covering the Asia Pacific region, is so far a forum for dialogue and consultation on trade liberalisation and not a trading bloc. India and its South Asian neighbours are not members of any of these trading blocs India is a member of one global preferential trading arrangement, the Global System of Trade Preferences (GSTP), which is open to the members of the G-77 and one regional preferential trading arrangement, popularly known as the Bangkok Agreement which is open to all developing countries of the ESCAP region. Recently India has become a member of the South Asia Preferential Trading Arrangement (SAPTA) alongwith Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka and Maldives. The SAPTA has yet to become operational.

India prefers the multilateral to the regional approach. Our efforts have been to strengthen multilateralism during the Uruguay Round as it is believed that non discriminatory trade offers the greatest promise for expansion of world trade.

Trade Negotiations in the Context of Dunkel Draft

343. SHRI H. HANUMANTHAPPA : Will the Minister of COMMERCE be pleased to state :

(a) what is the latest stage of trade negotiations ; and

(b) what extent the Dunkel Draft affects the interests of the country ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : (a) and (b) The Uruguay Round Negotiations have entered the final phase. According to the present schedule negotiations are to be comcluded by December 15, 1993.

As the Dunkel proposals are still being negotiated a final assessment of the implications is premature at this stage. However, an analysis made be the government indicates that some of the positive features of the Dunkel text are :

(1) It seeks to strengthen the multilateraltrading system by providing a detailed framework of rules to govern international trade. In many aspects, these rules provide for special dispensaiton for developing countries.

(2) It provides for reduction of subsidies and other trade barriers in the field of agrculture, at enlarging global market access and better price realization for agricultural products.

(3) It provides for the integration of textiles and clothing into the GATT trading framework within a finite time frame of ten years.

(4) The proposed agreement on Trade In Services provides a multilateral framework for negotiating concessions, inter alia, in the area of movement of personnel.

(5) In TRIPs in provides for a ten year transition period for the introduction of product patents in the case of countries which are presently not granting such patents in certain areas.

Some of the negative features are :—

(1) The rules on anti-dumping have not been improved sufficienally.

(2) In textiles the phase-out process is back loaded.

(3) In the text on agriculture there are certain ambiguities which need to be clarified.

(4) In TRIPs, in the area of patents sufficient flexiblity has not been provided in respect of compulsory licensing particularly for food and pharmaceuticals. The text is also not clear on the treatment of importation as working of patents. Furthermore, while the text allows exclusion from patents of plants and animals, it mandates patenting of micro organisms.

Changes Sought in Dunkel Draft

344. SHRI N. E. BELARAM :
SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE :
SHRI RAJNI RANJAN SAHU :
SHRI CHATURANAN MISHRA :

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Government have sought certain changes and modifications in the Dunkel Draft to suit Indian Interests and concerns especially the interests of the two focus groups the farmers and the poor ;

(b) if so, what precise changes are sought to be interoduced by Government in